

**APPLICATION FOR TAX INCREMENT FINANCING (TIF)**

**Frederick County, Maryland  
Office of the County Executive**

**12 East Church Street**

**Frederick, MD 21701**

**301-600-1028 Fax: 301-600-1050**

**Email: CAO@FrederickCountyMD.gov**

**APPLICANT:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

**PHONE #:** \_\_\_\_\_

**FAX #:** \_\_\_\_\_

**E-MAIL:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_

**PROJECT NAME:** \_\_\_\_\_

Funding infrastructure is a significant challenge to the smart and managed growth of Frederick County. The purpose of designating Tax Increment Financing (TIF) districts is to provide another tool for the County Council and County Executive to finance non-residential public infrastructure within eligible commercial, industrial and mixed use projects. Only those public infrastructure improvements, intended to serve the non-residential component of a mixed use (MXD) project, are eligible for TIF consideration. TIF districts are to be located on land zoned for commercial, industrial, and mixed use developments, or equivalent zoning in municipalities, that are within a half mile of major or minor arterial routes or expressways. It is intended that TIFs would be used as part of an overall funding package for projects that benefit citizens and add significant income and property tax revenues to Frederick County.

These requirements must be provided as a base of information for the County's evaluation of the feasibility of a TIF as a mechanism to fund public infrastructure improvements in connection with private developer projects. The authority to make legislative findings and determinations necessary for a particular project is vested solely in the County Council and County Executive. A TIF is not a right under Maryland or Frederick County law and meeting any requirements set forth herein shall not create a right or entitlement for the applicant(s).

For the purpose of this application, the term "development" includes all public infrastructure and private development within the TIF district proposed by the Applicant. The term "Private Development" refers to the development within the TIF district which will not be financed by the incremental taxes. Accordingly, only public infrastructure will qualify for funding with incremental taxes.

*Application Format: On a separate sheet of paper, answer the following questions or provide the information requested. Type each question/request for information prior to the applicable response. Provide ten (10) copies of the following information.*

- (1) Provide relevant information on the applicant's background and development experience.
- (2) Provide resumes for the applicant's partners and consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, applicant's legal counsel, applicant's financial advisor). Provide a contact person, address, office telephone, email address and fax for each.
- (3) List all owners of the property proposed to be included in the TIF district. If the applicant does not hold legal title to the property described in number four (4) below, describe the applicant's interest in all property to be included within the TIF district.
- (4) Describe the current land use and proposed project, including the location, size, scope and phasing of the project. Include a description of any proposed donated land to be designated for schools, parks, etc. Define the boundaries of the proposed TIF area by address, tax map, and parcel number(s). Include a map of the proposed TIF area and the zoning. Describe the location as satisfying the requirement to be within a half mile of expressways or major or minor arterial routes or a municipality.
- (5) Describe the public infrastructures necessary for the completion of the project.
- (6) Describe the public infrastructure that is proposed to be funded by the TIF.
- (7) Describe the tangible public benefit of the public infrastructure to residents outside the proposed TIF district.

- (8) Describe the private development, including identification of uses (i.e. industrial, commercial, retail, office, hotel, etc.), the density of each use, and the phasing schedule for the development.
- (9) Identify the property that is currently in the control of the applicant via ownership or option. If under option note the option expiration date and terms.
- (10) Include any drawings or plans which describe, illustrate or define the development.
- (11) Is public water and sewer available to serve the proposed development?
- (12) State separately the costs associated with the development of the public infrastructure and the private development. Identify which of the public infrastructure costs the applicant proposes to fund with tax increment and the proposed time frame for repaying that obligation. Include how public infrastructure or services not financed by the tax increment will be financed.
- (13) Provide a plan of finance. This plan should include the following:
  - a. Amortization schedule of the proposed TIF debt together with the anticipated incremental property taxes. (The coverage must be equal to or exceed 150 percent for each year.) Use a reasonably conservative estimate of the current market interest rate. The maximum term of the amortization schedule is 15 years;
  - b. Estimated sources and uses of funds, including anticipated bond proceeds, equity investments and other sources of capital; and,
  - c. Proposed plan for marketing and selling bonds.
- (14) Provide a proposed timeframe through the completion of the construction of both public infrastructure and private development. This schedule should include but not be limited to the following:
  - a. Establishment of the TIF district
  - b. Establishment of the CDA
  - c. Completion of appraisals
  - d. Completion of market studies
  - e. Completion of engineer's report
  - f. Completion of State Highway Administration approvals, if necessary
  - g. Beginning of construction of public infrastructure
  - h. End of construction of public infrastructure (in the event the construction period for the public infrastructure exceeds two years, more than one debt issue may be necessary)
  - i. Beginning of construction of private development
  - j. End of construction of private development
  - k. Completion of regulatory approvals, if any
  - l. Completion of zoning changes, if needed
- (15) Provide an engineer's report that substantiates the cost of development of both the public improvements and the private development.
- (16) Indicate whether State funding will be needed for the development or for supporting infrastructure improvements, and if so, whether the development is located within a priority funding area. Do any boundaries have to be revised to qualify for a priority funding area?
- (17) Describe why the development will not be economically feasible without the establishment of a TIF district and how much TIF support will be required to make the development

economically feasible. State the need and justification for TIF assistance. Substantiate that other alternative methods of financing have been thoroughly explored

- a. Describe your efforts to date to privately finance the public infrastructure.
- b. Describe private financing that is currently in place or planned to be in place.
- c. Provide a list of all development costs and estimated revenues through the proposed term of the financing.
- d. Provide an explanation of the circumstances generating the need for TIF financing in the absence of commercial/private financing.

- (18) Identify **sources, amounts, and status** of all debt financing and/or equity funding available to complete the project. Does the applicant anticipate the debt to be privately financed by a construction lender or developer or publicly sold? Please prepare debt financing information in the following format.

Source	Amount	Term	Status	Contact Person	Contact Telephone #

- (19) Provide evidence that substantiates that the applicant has sufficient financial resources to obtain the remaining private financing for the project.
- (20) What is the current zoning of the property described in number four (4) above? Is the property currently zoned for the proposed use? If not, what zoning change(s) or exception(s) will be required? What process is needed for these changes and what is the project time line in that approval process?
- (21) Will the proposed project result in the relocation of residential, commercial or industrial facilities? If so, discuss the nature of any anticipated relocations.
- (22) What other County or State land development approvals will be required for the development? Which ones have been obtained? What is the anticipated schedule for the remaining ones?
- (23) Justify the project's compliance with the County's Comprehensive Plan.
- (24) Provide a market study acceptable to the County supporting the economic feasibility of the private development. Discuss and document information used to describe the market feasibility of each element of the proposed project.
- (25) Provide an estimate of any other new taxes and fees to be generated by the development assuming no change in the County's income, building excise, and recordation tax rates and other fees (development review, impact, water and sewer, solid waste, etc.) for each year of the term of the proposed financing obligation.

	Other New Taxes	New Fees
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
↓		
Year 30		

- (26) Identify any proposed tenants of the development. Have leases been negotiated and signed? What type of lease is contemplated? What are the lease rates?
- (27) List all entities that will own the property after construction of the public infrastructure is completed.
- (28) Provide information on the number, type and wage scales for the jobs to be created during construction and permanently retained in the TIF district. Classify by County residents, State residents, and "Other."
- (29) Will the private development qualify for any county, state or federal tax credits?
- (30) Describe the impact of the TIF district on residential property in proximity to the TIF district.
- (31) Describe the impact of the TIF district on existing businesses in proximity to the TIF district.
- (32) Describe any known or suspected environmental hazards or contamination on the property. What remedial action will be required to mitigate the environmental hazards or contamination?
- (33) Describe the economic and quality of life benefits of the proposed project to the County. Describe how the public improvements have application beyond the particular project.
- (34) Include a \$10,000 application fee (make checks payable to "Treasurer of Frederick County"), together with such deposit as shall be requested by the County to cover costs and expenses of the County related to evaluation of the application. Acknowledge that \$30,000 will be required for administration fees at the time of the TIF approval. A set up fee and annual administration fee may be added as appropriate. In addition, the Applicant should expect to forward fund resources to pay for the County's Bond Counsel and Financial Advisor (FA) during the application process up to and including the issuance of bonds. These funds can be reimbursed to the applicant out of the "Cost of Issuance" portion of the bond proceeds when the bonds are issued if sufficient funds are available. In the event the bonds are not issued, the applicant will not be reimbursed for these expenses of the County's bond counsel and financial advisor. These funds can be more than \$200,000 depending on the extent of the work required by the County's bond counsel and FA.
- (35) The applicant must provide credit enhancements and performance and payment guarantees for the public infrastructure to be financed with TIF bond proceeds in accordance with the County's policies for all County-owned public improvements.
- (36) Provide any other information not specifically requested which further supports how the development meets the TIF guidelines adopted by the County.

- (37) Provide any other financial, geographical, or logistical information that may be subsequently requested.

By signing this application, the applicant agrees to the following:

1. The applicant will pay all costs incurred by the county associated with processing this application, including, without limitation, costs of consultants' reviews of financial data, outside legal counsel, and administrative expenses in reviewing the TIF application.
2. The applicant acknowledges the County agrees not to disclose confidential commercial information clearly marked by the applicant as such, except as required by law. The applicant understands that the County is a government agency which by law may be required to disclose certain information and that the applicant's designation of confidentiality is not necessarily conclusive. The applicant may be required to provide justification why such material should not be disclosed under Maryland's Public Information Act and/or County law. In the event of a request for records previously designated by the applicant as confidential, the County will endeavor to notify the applicant so the applicant may take such action it deems appropriate to protect its interests, but is not required to file suit (or to assert within any litigation whether brought by the County or some other person) the confidentiality of the information.
3. The applicant certifies that all information provided in this application is accurate to the best of its knowledge, information and belief.
4. The applicant acknowledges that it has reviewed the TIF guidelines.
5. The applicant acknowledges that the ability to utilize TIF financing is not a right or entitlement established by either State or County law or the County's tax increment financing guidelines.
6. The applicant acknowledges that the County reserves the right to reject any and all projects for any reason whatsoever, even those which satisfy all of the criteria without regard to the viability of the project. Furthermore, the County reserves the right to waive any nonconformance and approve any project the County deems favorable to the County.

Applicant: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

THIS APPLICATION MUST BE SUBMITTED TO: FREDERICK COUNTY GOVERNMENT  
OFFICE OF THE COUNTY EXECUTIVE  
ATTN: CHIEF ADMINISTRATIVE OFFICER  
WINCHESTER HALL  
12 EAST CHURCH STREET  
FREDERICK, MD 21701